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AMENDMENTS TO THE SPECIFICATION

On Page 1 of the Specification as amended 12/15/2003, please amend the title as indicated:

DESCRIPTIVE TITLE OF THE INVENTION

~~Financial instruments, derived from root products, are used as tools for risk management~~
~~In manufacturing business~~

**METHOD OF TRADEABLE FINANCIAL INSTRUMENT FROM VALUE-
ADDED MANUFACTURED PRODUCT BY PARETO MARKET ANALYSIS**

On Page 1 of the Specification, please amend the statement of related applications as indicated:

CROSS REFERENCE TO RELATED APPLICATION

~~This application is a Continuation In Part to previous application: Risk Management for~~
~~Manufacturing~~

The present application is related to U.S. Patent Application No. 09/640,272 filed August 17, 2000 entitled RISK MANAGEMENT FOR MANUFACTURING, the entire contents of which is hereby incorporated by reference.

On Page 2 of the Specification as amended 12/15/2003, please amend as indicated below

(i.e. delete all of page 2):

~~Table of content~~

~~Background of the invention~~

~~Summary of invention~~

~~Brief description of drawings~~

~~Detailed description of the invention~~

~~1. Sector Products~~

~~Sector and In-Process Materials (IPM)~~

~~Sector analysis~~

~~Product analysis~~

~~Homogenization~~

~~Root product specification~~

~~2. Sector Market Research~~

~~Business intelligence~~

~~Market intelligence~~

~~Database engine~~

~~Data analysis~~

~~Real time update~~

~~3. Financial instrument standard semi-standard~~

~~4. Price Indexing~~

~~5. Examples~~

~~Claims~~

~~Abstract~~

On **Pages 7 and 8** of the Specification as amended 12/15/2003, please amend as indicated:

BRIEF DESCRIPTION OF DRAWINGS

Fig. [00-]1: ~~A Fractal approach to industry's S[s]ector A[a]nalysis~~

Fig. [0-]2: How the Pareto's Distribution Law is applied

Fig. 015 ~~Analysis of Manufacturers coding system~~

Fig. 3: [-] Root Extraction Process 300

Fig. 4: [-] Existing Forward Platform

Fig. 5: [-] New platform 200

Fig. 6: [-] The general format of flexible, semi-standard contract

Fig. 0112 ~~Public Data Aggregation Engine~~

Fig. 012 ~~Analysis Engine~~

Fig. 013 ~~Product intelligence: How the key market data is collected~~

Fig. 7: Marketing Information: collection of market data as well as relevant news

Fig. 8: Supply & Demand data are collected in a database

Fig. 9: Manufacturer part number: A guide to technical specification

Fig. 10: Combining technical and marketing data

Table 11: [-] Basis of availability of information

Table 12: [-] Example of identifying key sectors; the table shows the type of information is collected in the database

Table 13: [-] Identifying product key players (producers and consumers); the table shows the type of data collected in the database

Tables 14: [-] General design of database for marketing information

On **Pages 10-22** of the Specification as amended 12/15/2003, please amend references to drawings and drawing symbols as follows at the indicated page, paragraph, and line number, and as indicated within the complete paragraphs showing changes below:

(Page 10, paragraph 4, line 3: Replace --**Fig. 00**-- with --**Fig. 1**--)

To begin the process the domain knowledge of a particular manufacturing sector is required. This is accomplished by sectionalizing the targeted manufacturing sector indefinitely (analogous to fractal concept in Chaos theory). In **Fig. 1**~~Fig. 00~~ several manufacturing sectors (chemical, electrical and electronics) are derived from block 001, the manufacturing sector. Electronics (block 0013) is then broken down to semiconductors, switches, opto-electronics, display, interconnect,(blocks, 00131 through 00135). This process continues until a base or root product is extracted.

(Page 10, paragraph 5, line 2: Replace --**Fig. 01**-- with --**Fig. 1**--)

Once a sector is identified its value-added products, based on the breakdown indicated in **Fig. 1**~~Fig. 01~~ are extracted. Referring to the diagram all products with unknown or custom made "value-add" are ignored. Only those products that are manufactured repetitively and their value-add is universally established are selected.

(Page 12, paragraph 1, line 6: Replace --**Fig. 02**-- with --**Fig. 2**--)

For the targeted manufacturing sector first a "tree" is constructed. The tree branches represents product groups of that sector followed by sub- group (smaller branch) to ultimately arrive at the root product. To avoid unnecessary and cumbersome

job of listing all and every product throughout the process the principal of Pareto's (Distribution) Law, commonly known as 80/20 rule, is adopted as a convenient tool. As an application of Pareto's Law the flow diagram (see Fig. 2~~Fig-02~~) demonstrates how the selection of subgroup and sub subgroup of a product group can be made. The selection is based on the assumption that starting with a given group of product a handful of subgroup items are most dominant. Block 020 represents a list of or bill of materials used for a production line. Block 021 shows a group of related product items. The system calculates the Dollar value of the first item and checks if they represent 80% of Dollar amount. If not it fetches the next item and so on until the result is achieved. Once the "dominant" items have been selected the process of extracting the root product of each product begins.

(Page 19, paragraph 5, line 2: Replace --Fig. 5-- with --Fig. 3--)

The full specification of the root product (as generic product) is now updated and is "attached" to the root product. This is indicated as in Fig. 3~~Fig-5~~, block 170. The root product is now generically specified.

(Page 20, paragraph 3, line 2: Replace --Fig. 0112-- with --Fig. 7--)

The following research data will be collected for further support and verification as shown in Fig. 7~~Fig-0112~~. The process for collecting public data is described below

(Page 21, paragraph 3, line 3: Replace --Fig. 013-- with --Fig. 10--)

After the business intelligence is established and players are identified and the general criteria for researching a product is reviewed the market analysis for the specific sector begins. Referring to Fig. 10~~Fig. 013~~ the key data for analysis are:

(Page 22, paragraph 1, line 4: Replace --0132-- with --0134--; --~~0133~~-- with --1311--)

b) market data availability (or accessibility)- This feature implies the existence of an open market where the data about the prices and availability (supply) can easily be ensured. This is depicted in blocks ~~0132~~0134 and ~~0133~~01311.

(Page 22, paragraph 4, line 2: Replace --Fig. 012-- with --Fig. 8--)

Generally, there will be two distinct sources that would define the required data as shown in Fig. 8~~Fig. 012~~. The key components of supply are shown as blocks 0124, 0125, 0126, 0127 and 0128. Those of demand are shown as blocks of 01292 through 01295. Aggregation takes place as regional and sector level shown as 01296 through 01299 to collectively provide the News relevant to market data

(Page 22, paragraph 5, line 1: Replace --diagram 0112-- with --Fig. 9--)

The repository engine shown in Fig. 9~~diagram 0112~~ allows the database engine process the following information: